

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

This bill removes the ineligibility for Supplemental Nutrition Assistance Program (SNAP) benefits for persons with three or more felony convictions for the possession or use of a controlled substance or one or more felony convictions involving the sale or distribution of a controlled substance. A person with three or more felony convictions for the possession or use of a controlled substance would only be eligible for SNAP benefits if he or she participates or has completed a substance abuse treatment program.

SNAP benefits are paid 100% by the federal government. Administrative costs are matched at 50% General and federal. Based on 658 denials or case closures based on drug felonies, 75% or 494 of those found to be ineligible were part of an existing household. Those not part of an existing household totaled 164. Additionally it is anticipated that there would be approximately 100 additional applicants. Based on current workload ratios, a half-time social service worker is needed. The department’s fiscal note indicates that current staff can absorb the additional case work.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
LB: 169 AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)	
REVIEWED BY: Elton Larson	DATE: 2/5/2019	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with DHHS estimate of fiscal impact to the agency.		

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 1-15-2019

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	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>				
	\$0	\$0	\$0	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

**Explanation of Estimate:**

The proposed legislation would expand eligibility for the Supplement Nutrition Assistance Program (SNAP) to most drug felons and would result in an increase of SNAP cases. SNAP benefits are paid 100% by the federal government and administrative costs are a 50/50 match state general to federal funds.

In the last two years, the Department of Health and Human Services (DHHS) has denied or closed an average of 658 SNAP participants related to drug felonies. Many times, the ineligible person due to drug felony is part of an existing SNAP household. Data shows that 75% of ineligible members are part of an existing SNAP household. This is 494 ineligible persons who potentially would need added to an existing household. The processing time to add a household member to existing household is one hour per person. DHHS estimates an increase of at least 15% to account for those individuals who have never applied for benefits, but may, under this new provision which results in an additional 264 potential participants. The processing time on applications is 2 hours per application. Of the 264 potential applicants it is believed that 15% or 40 will now be eligible for benefits. The annual processing time on SNAP households is 5 hours. This accounts for recertification and case changes in circumstance.

DHHS will maintain the same staffing and will not require new staff to process the additional caseload. Hourly rate for C72172 Social Service Worker is \$16.798. The estimated absorbed cost per year associated with implementing LB169 is as follows:

	# Applications	# Hours/Application	Hourly cost	Absorbed Cost
Adding New Person to Existing Household	494	1	\$16.798	\$8,298
New Applications	264	2	\$16.798	\$8,869
SNAP Eligible Applicants	40	5	\$16.798	\$3,360
			Total Raw Labor	\$20,527
			Benefits	\$8,073
			Operations	\$9,324
			Grand Total	\$37,924

DHHS will be required to complete a major rule and regulation change as a result of LB 169. DHHS will absorb the estimated costs listed below to complete this regulation change.

Title	Hours	Hourly Cost	Absorbed Cost
Director	4	72.115	\$ 288
Deputy Director	4	51.923	\$ 208
Administrator I	4	29.354	\$ 117
Program Specialist	8	21.466	\$ 172
Program Analyst	16	20.869	\$ 334
Attorney 3	30	32.213	\$ 966
Total Costs	66		\$ 2,086

**MAJOR OBJECTS OF EXPENDITURE**

**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2019-2020 EXPENDITURES	2020-2021 EXPENDITURES
	19-20	20-21		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>			<b>\$0</b>	<b>\$0</b>